



CONGRESSWOMAN

Loretta
Sanchez

Family Tax Relief Guide 2000

**Get free help on your taxes. Find out how to
take advantage of the Child Tax Credit and
learn about the HOPE Scholarship credit for
higher education.**





CONGRESSWOMAN LORETTA SANCHEZ

March 2000

Dear Taxpayer:

Recently, Congress introduced a wide range of tax-saving benefits to the American taxpayer (PL 105-34). This agreement is a victory for America's working families and I hope it signals a new day in Washington — one of less taxes and less government.

It is particularly important to me that the tax relief which Congress adopted be understood by taxpayers, and that taxpayers in Orange County get the full benefit as quickly as possible. You can cut your tax bill if you qualify for the Child Tax Credit or one of the credits relating to higher education. The full amount of the credit comes right off your total tax. It's that simple.

Next month I will be hosting a series of "Tax Preparation Workshops" at my Garden Grove office. IRS staff will be on hand to answer your questions and assist you with your state and federal tax forms **free of charge**. Please call (714) 621-0102 to schedule an appointment. For further details on the new tax law it is recommended that you also consult with your own tax professional.

Free Tax Preparation Workshops!

12397 Lewis Street, Suite 101
Garden Grove, CA 92840

March 29 9 a.m. - 1 p.m.

April 5 9 a.m. - 1 p.m.

April 12 9 a.m. - 1 p.m.

Very truly yours,

Loretta Sanchez

Your Congresswoman

Follow these Easy Steps and *Save up to \$500 For Each Child*

*"This is an important tax benefit
that every parent will be glad to
hear about,"* *Loretta*



Loretta taking part at Minnie Street Children
Festival in Santa Ana

Who qualifies for the \$500 credit?

If you have a dependent child who will be under 17 at the end of the year, for whom you can claim a dependency deduction, you may be able to subtract up to \$500 from your 1999 federal income tax, unless your income exceeds specified levels. One child can mean up to a \$500 credit. Two children up to \$1000, and so on.

How do you claim this credit?

First ask your employer for a new W-4 form and ask how many allowances you are currently claiming on the W-4 your employer has on file. For more information see Publication 17, Your Federal Income Tax, Child Tax Credit, Claiming The Credit.

1. If you are single with an income of \$18,000 to \$50,000 or married with a joint income of \$23,000 to \$60,000 just list the number of eligible children you have in this box.

Total:

2. If you are single with an income of \$50,000 to \$80,000 or married with a joint income of \$63,000 to \$115,000 select one of the following options:

A. If you have only one eligible child, do not adjust your W-4 form you can use the Child Tax Credit when you complete your 2000 tax return next year.

B. If you have only two children enter "1" in the box below.

C. If you have only three or four children enter "2" in the box below.

D. If you have only five or more children enter "3" in the box below.

Total:

3. Take the total from step one or two and add it to the number you would otherwise use on line 5

Form W-4 Employee's Withholding Allowance Certificate	
Department of the Treasury Internal Revenue Service	
For Privacy Act and Paperwork Reduction Act Notice, see page 1.	
1. Type or print your first name and middle initial	Last name
Home address (number and street or rural route)	
City or town, state, and ZIP code	
2. <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Head of household, but legally separated	3. <input type="checkbox"/> If your last name differs from here, you must call 1-800-829-1040
4. Total number of allowances you are claiming (from line 11 above) OR from the applicable works	
5. Additional amount, if any, you want withheld from each paycheck	
6. I claim exemption from withholding for 2000, and I certify that I meet BOTH of the following or:	
<input type="checkbox"/> Last year I had a right to a refund of ALL Federal income tax withheld because I had NO tax <input type="checkbox"/> This year I expect a refund of ALL Federal income tax withheld because I expect to have NO tax If you meet both conditions, write "EXEMPT" here	
Under penalties of perjury, I certify that I am entitled to the number of withholding allowances claimed on this certificate	
Employee's signature (Form is not valid unless you sign it)	Date
8. Employer's name and address (Employer completes lines 8 and 10 only if sending to the IRS)	9. Office use (optional)

THE HOPE SCHOLARSHIP CREDIT QUESTIONS AND ANSWERS

Q. Who may claim the HOPE Scholarship Credit?

A. An individual paying qualified tuition and related expenses at a college or university may claim the credit, provided the student (ie. the taxpayer, the taxpayer's spouse, or an eligible dependent) is enrolled at least part-time in one of the first two years of postsecondary education and enrolled in a program leading to a degree or certificate.

Q. How can a taxpayer claim the HOPE Scholarship Credit?

A. The HOPE Scholarship Credit provides a 100% tax credit against the first \$1,000 expended for tuition and a 50% credit against the next \$1,000. This tax credit is normally better than a tax deduction because it allows a dollar for dollar tax credit of amounts up to \$1,500 expended by parents for each child. In the third and fourth years of college, there is now a different 20% credit on the first \$5,000 of tuition and expenses paid - thus saving up to \$1,000 in taxes. This credit will be increased to 20% of the first \$10,000 for expenses paid after 2002. Please come to our tax workshops for additional information.



Congresswoman Sanchez visits students at La Quinta High School to discuss various education issues.

Staying In Touch

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M.C.
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